

TOWN OF DAVIE TOWN COUNCIL AGENDA REPORT

TO: Mayor and Councilmembers

FROM/PHONE: Herb Hyman/797-1016

PREPARED BY: Herb Hyman/797-1016

SUBJECT: Ordinance

AFFECTED DISTRICT: All

ITEM REQUEST: Schedule for Council Meeting

TITLE OF AGENDA ITEM: CODE AMENDMENT - AN ORDINANCE OF THE TOWN OF DAVIE, FLORIDA, AMENDING THE TOWN'S CODE OF ORDINANCES BY AMENDING CHAPTER 2, ARTICLE VIII, SECTIONS 2-315, 2-316, AND 2-323 OF THE TOWN OF DAVIE'S PURCHASING PROCEDURES; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

REPORT IN BRIEF: This ordinance will raise the Town's informal bid threshold from \$1,000 to \$3,000 and raise the limit of contracts that require the signature of the Mayor from \$5,000 to \$25,000. Raising the informal bid threshold will reduce paperwork, and allow purchases to be effected in a shorter timeframe which will benefit the residents and allow the departments to operate more effectively and efficiently. This change does not effect any items which would go to the Town Council for approval. A survey of other cities in the tri-county area is attached. The survey shows that a majority of the responding cities have an informal bid threshold in the range of \$2,500-\$3,000. The Town's informal bid threshold of \$1,000 was established in 1988 by Ordinance 88-70 and has not been changed since. Raising the informal bid threshold to \$3,000 would be more in line with the cost of goods and services in today's economy. The requirement to have the Town Council approve contracts was also established by Ordinance 88-70. At that time, the threshold for contracts needing the Mayor's signature was \$500. That threshold was raised in 1996 by Ordinance 96-008 from \$500 to \$5,000. Raising the threshold to \$25,000 would make it consistent with our threshold for formal bids. All contracts regardless of value would still be reviewed by the Town Attorney prior to signature by the Town.

PREVIOUS ACTIONS: Not applicable.

CONCURRENCES: This change in thresholds has been discussed with the Budget & Finance Director and the Town Administrator who concur with the changes outlined herein.

FISCAL IMPACT: No

Has request been budgeted? n/a

RECOMMENDATION(S): Motion to approve the ordinance

Attachment(s): Informal Bid Threshold Survey Memo.

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF DAVIE, FLORIDA,
AMENDING THE TOWN'S CODE OF ORDINANCES BY
AMENDING CHAPTER 2 ARTICLE VIII, SECTIONS 2-315, 2-316,
AND SECTION 2-323 OF THE TOWN OF DAVIE'S PURCHASING
PROCEDURES; PROVIDING FOR SEVERABILITY; AND
PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town wishes to amend Section 2, Article VIII, Sections 2-315,
2-316, and Section 2-323 of the Purchasing procedures as originally set forth in
Ordinance 88-70 as amended by Ordinances 92-008, 96-003, and 2003-003; and

WHEREAS, it is in the best interest of the Town to make appropriate
amendments.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE
TOWN OF DAVIE, FLORIDA:

SECTION 1. That Article VIII, Sections 2-315, 2-316, and Section 2-323 of the
Purchasing procedures as originally set forth in Ordinance 88-70 as amended by
Ordinances 92-008, 96-003, and 2003-003, regarding level of approvals and
clarification of definitions is amended as follows:

Section 2-315. **Purchases-Not exceeding ~~one~~ three thousand dollars.**

Purchases not exceeding ~~one~~ three thousand dollars (~~\$1,000.00~~) (\$3,000.00)
may be effected without formal or informal bids.

Section 2-316. **Same-Exceeding ~~one~~ three thousand dollars but not
exceeding twenty-five thousand dollars.**

Purchases in amounts of over ~~one~~ three thousand dollars (~~\$1,000.00~~)
(\$3,000.00) but not exceeding twenty-five thousand dollars (\$25,000.00) may be
effected without advertising for formal sealed bids, but at least three (3) informal bids
shall be obtained if practicable. All Ppurchases which are over \$5,000.00 but less than
\$15,000.00 made through the informal bid process will require written unsealed bids

including fax transmissions from prospective vendors ~~which may be obtained by the using department. Purchases over \$15,000.00 but less than \$25,000.00 will require written unsealed bids which~~ and will be obtained by the Purchasing Department with the use of a specification prepared by the using department. ~~Purchases under \$5,000.00 may be by documented verbal quote.~~ In all instances, the Procurement Manager shall have the right to require adequate documentation to insure that bids are fairly acquired and that a competitive environment is maintained.

Section 2-323. Council Approval

The Town Council's approval shall be required on all contracts for goods or services in excess of five twenty-five thousand dollars ~~(\$5,000.00)~~ (\$25,000.00).

SECTION 2. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portion of this Ordinance.

SECTION 3. This ordinance shall take effect immediately upon its passage and approval.

PASSED ON FIRST READING THIS _____ DAY OF _____, 2008.

PASSED ON SECOND READING THIS _____ DAY OF _____, 2009.

ER
Attest:

MAYOR/COUNCILMEMB

TOWN CLERK

APPROVED THIS _____ DAY OF _____, 2009.

MEMORANDUM

Department of Budget and Finance

To: Mayor and Town Council

From: Herb Hyman, CPPB, FCPM, FCPA, FCN Procurement Manager

Through: William Ackerman, Budget & Finance Director

Date: December 1, 2008

Subject: Informal Bid Threshold

The Town's current threshold for informal bids is \$1,000. Raising the bid threshold to \$3,000 would cut down on paperwork, and allow using departments to obtain goods and/or services in a shortened timeframe which would be a benefit to the residents and would be a more efficient and effective use of staff time. Several cities were surveyed to justify an increase in our informal bid threshold.

Broward County-	\$2,000
Boca Raton	\$5,000
Coconut Creek	\$2,500
Coral Springs	\$2,500
Cooper City	\$3,000
Dania	\$3,000
Deerfield Beach	\$1,000
Ft. Lauderdale	\$5,000
Hallandale Beach	\$1,000
Lauderdale Lakes	\$1,500
Margate	\$2,500
Miami	\$2,500
Miami Gardens	\$10,000
Miramar	\$2,500
North Miami	\$5,000
Oakland Park	\$2,500
Pembroke Pines	\$5,000
Pompano Beach	\$2,000
Sunrise	\$2,500
Tamarac	\$2,500

Total Number of Informal bids completed in FY 2007- 122
2007 Informal Bids that were less than \$3,000 – 35

Total Number of Informal bids completed in FY 2008- 92
2008 Informal Bids that were less than \$3,000 – 21

Based on the data provided above, I would recommend an increase in the informal bid threshold to \$3,000.

As for implementation, I would suggest that all informal bids would be obtained by Purchasing with a specification from the using department.

.